Special Forces Pension Board

ANNUAL REPORT 1983-84

Alberta

85-4548/

ISSN 0228-0094

FIFTH ANNUAL REPORT

of the

SPECIAL FORCES PENSION BOARD

pursuant to

SPECIAL FORCES PENSION ACT

FOR THE YEAR ENDED
March 31, 1984

PROVINCIAL TREASURER
323 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-8809

To the Honourable HELEN HUNLEY
Lieutenant Governor of the Province of Alberta

MAY IT PLEASE YOUR HONOUR:

I have the honour to submit the Annual Report of the Special Forces Pension Board, pursuant to *the Special Forces Pension Act*, for the fiscal year ended March 31, 1984.

Lou Hyndman

Lou Hyndman
MINISTER FOR PENSIONS

Alberta
SPECIAL FORCES
PENSION BOARD

Office of the Chairman

Room 570, Terrace Building, 9515 - 107 Street, Edmonton, Alberta, Canada T5K 2C3 403/427-7105

The Honourable L.D. Hyndman
Provincial Treasurer
323 Legislature Building
Edmonton, Alberta.

Sir:

In accordance with *Section 34(1)* of *the Special Forces Pension Act*, I have the honour to present the Fifth Annual Report of the Special Forces Pension Board for the fiscal year ended March 31, 1984.

During the year, Mr. D.F. Burrows, Chief Commissioner, City of Edmonton, resigned from the Special Forces Pension Board after serving for over four years. He was replaced by Mr. J.A. Pare, General Manager, Personnel Department, City of Edmonton.

Respectfully submitted,

J.E. Faries
CHAIRMAN OF THE BOARD

TABLE OF CONTENTS

	Page
Special Forces Pension Board	vii
Report on the Activities of the Board	1
Summary - Participation	3
- Contributions	3
- Refunds of Contributions	3
- Retirements and Pensions	3
- Death-in-Service Benefits	4
Monthly Dollar Value of Pensions	4
Contributions Received in 1983-84	5
Refunds of Member/Employer Contributions	5
Transfers by Book Entry	5
Pension Adjustment Regulations	6
Comparative Statistics	7
Summary of Receipts and Payments	8

SPECIAL FORCES PENSION BOARD

BOARD CHAIRMAN

J.E. Faries
Chairman
Government Pension Boards

VICE-CHAIRMAN

G.E. Witherden
Director
Law Enforcement Division
Solicitor General's Department

MEMBERS

John A. Pare
General Manager
Personnel Department
City of Edmonton

Don Attridge
Personnel Supervisor
City of Medicine Hat

Arnold G. Heisler
Assistant Controller, Accounting
Alberta Treasury

Norman E. Koch
President
Edmonton Police Association

Sidney Shields
Representative
Alberta Federation of
Police Associations

SPECIAL FORCES PENSION ACT

REPORT ON THE ACTIVITIES OF THE BOARD AND THE OPERATION OF THE ACT

The Special Forces Pension Board met four times during the year ended March 31, 1984.

Some of the important issues considered by the Board at these meetings related to:

1. Benefits to surviving beneficiaries of deceased members, under Section 26 of the Act;

2. Contribution rates for employees and employers on the first year of service with a local authority;

3. Treatment of Working Condition Allowance paid to senior police officers in Edmonton, for pension purposes;

4. Participation in the plan by Taber police officers;

5. Review of actuarial tables;

6. Participation in the plan by Lacombe police officers;

7. Conditions regarding recognition of periods of leave of absence without pay as pensionable service;

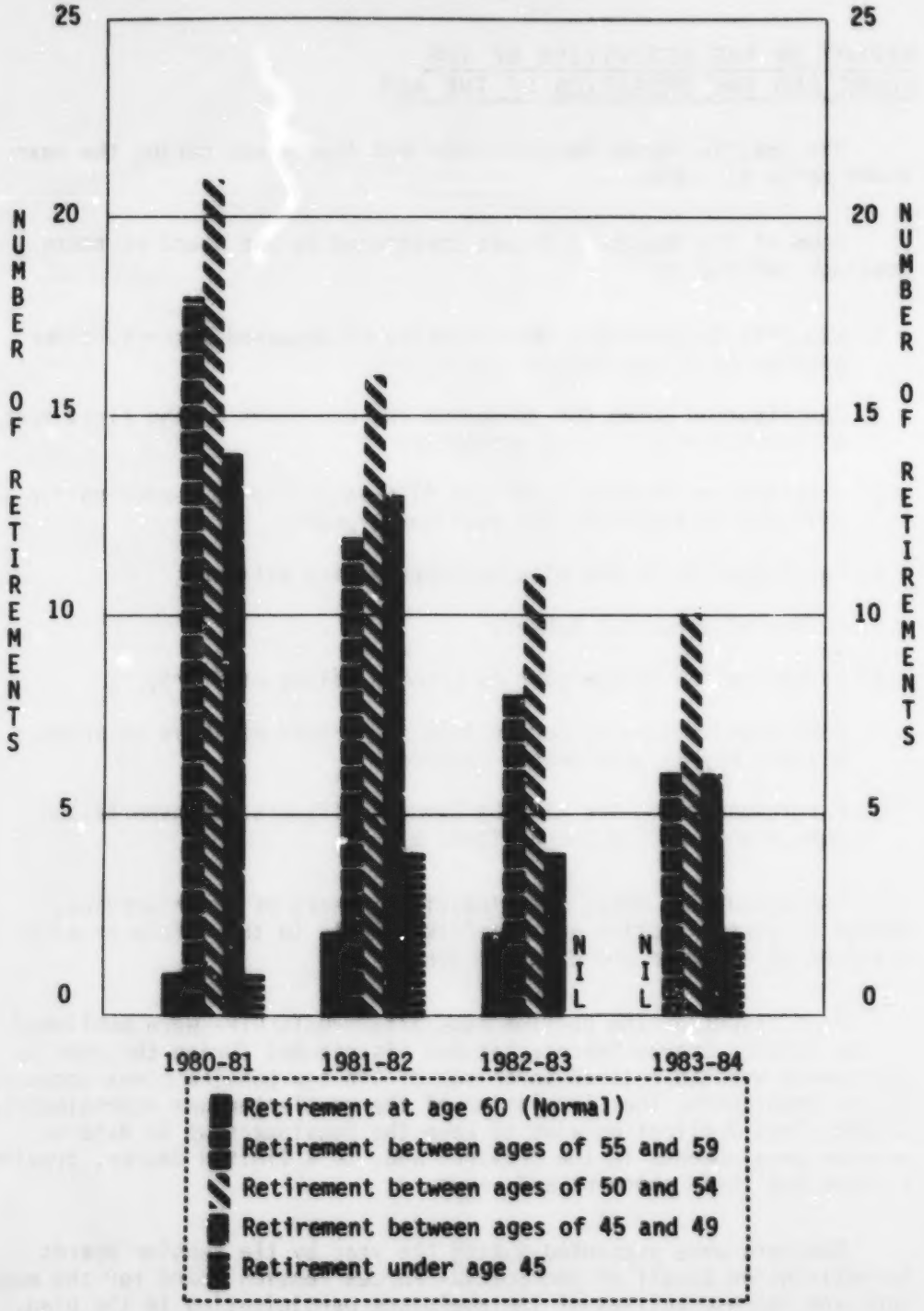
8. Participation in the plan by Summons Officers, Transportation Supervisor, Police Technicians, etc.

The Board also dealt with individual cases of prior service, change of pension option and benefits payable to the estate or minor children of a member who died intestate.

Four issues of the pension newsletter POSTSCRIPT were published by the Pension Boards Secretariat and distributed during the year to pensioners who had retired under one of the six pension plans sponsored by the Government. The circulation of the newsletter was approximately 17,000. This publication aims to keep the pensioners up to date on pension developments in the province and, to a limited degree, provides a forum for their concerns and views.

Seminars were presented during the year by the Pension Boards Secretariat on behalf of the Special Forces Pension Board for the members and representatives of the employers participating in the plan.

NORMAL AND EARLY RETIREMENTS
(4-YEAR COMPARISON)



PARTICIPATION

During the year, two local authorities -- Town of Coaldale and Town of Taber -- were brought under the operation of the Special Forces Pension Act.

As of March 1984, there were eight employers with an active membership of 2,609 participating in the plan. Though the number of employers increased to eight from six in 1982-83, the number of active members in the plan dropped from 2,650 in 1982-83 to 2,609 in 1983-84.

CONTRIBUTIONS

The amount of pension contributions received during the year from members and employers was $13,546,601.04, inclusive of three accounts in the amount of $106.26 held on deposit. Details of member and employer contributions in respect of each employer appear on page 5.

REFUNDS OF CONTRIBUTIONS

During the year, member contributions and interest totalling $188,981.61 were refunded to members leaving the service. A sum of $168,346.74 was paid out directly to the terminating members and a sum of $20,634.87 was transferred to their registered retirement savings plans and registered pension plans approved by the Board.

Excess contributions in the amount of $3,130.44 were refunded to the members and employers.

A lump sum payment of $20,597.40 representing refund of member contributions and interest was made to the estate of a member who had died during the fiscal year 1982-83.

RETIREMENTS AND PENSIONS

Twenty-four police officers with 25 or more years of pensionable service took early retirement during the year on unreduced, full-formula pensions. Of these, six officers retired between the ages of 55 and 59, ten officers between the ages of 50 and 54, six officers between the ages of 45 and 49 and two officers under the age of 45.

Twenty-three of the 24 retiring members selected the Normal Pension which, in the event of a member's death, pays the surviving spouse a Spousal Pension in the amount of 65 per cent of the retired member's pension. The remaining one member chose a Single Life pension.

Three pensioners drawing Normal Pensions died during the year. Their pensions were transferred to the surviving spouses.

As of March 1984, there were 159 pensions in payment to retired members and surviving spouses. One hundred and fifty-five of these pensions were co-ordinated with Canada Pension and/or Old Age Security.

The average age of the retirees during 1983-84 was 51 years and 5 months, down from 53 years and 9 months during 1982-83.

DEATH-IN-SERVICE BENEFITS

A lump sum payment of $20,597.40 was made during the year to the estate of a member who had died in the previous financial year.

MONTHLY DOLLAR VALUE OF PENSIONS

The monthly dollar value of pensions in effect at March 1984 was as follows:

DOLLAR VALUE PER MONTH	NUMBER OF PENSIONS AND PERCENTAGE OF TOTAL		
	Member Pensions	Spousal Pensions	Total
$ 0 - 499	0	0	0
500 - 999	3 (2%)	2 (1%)	5 (3%)
1,000 - 1,499	67 (42%)	5 (3%)	72 (45%)
1,500 - 1,999	53 (34%)	0	53 (34%)
2,000 - 2,499	22 (14%)	0	22 (14%)
2,500 - 2,999	5 (3%)	0	5 (3%)
3,000 - 3,499	2 (1%)	0	2 (1%)
Totals	152 (96%)	7 (4%)	159 (100%)

The lowest member pension at March 1984 was $739.00 per month and the highest was $3,015.00 per month. The average monthly pension paid to a member was $1,635.00 while the median monthly pension was $1,572.00.

The lowest survivor spouse pension at March 1984 was $924.00 per month and the highest was $1,272.00 per month. The average monthly pension paid to a surviving spouse was $1,109.00 while the median monthly pension was $1,112.00

CONTRIBUTIONS RECEIVED
(1983-84)

EMPLOYER	NUMBER OF ACCOUNTS	MEMBER CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS
City of Edmonton	1,150	$2,918,596.57	$3,273,912.79
City of Calgary	1,255	2,923,719.56	3,195,271.54
City of Camrose	22	48,305.55	101,442.43
City of Lethbridge	91	269,549.77	294,406.57
City of Medicine Hat	68	204,691.91	236,099.27
Town of Coaldale	7	11,971.93	14,013.94
Town of Lacombe	10	9,452.83	32,139.12
Town of Taber	6	5,952.96	6,968.04
Accounts held on deposit	3*	106.26	-
Totals	2,612	$6,392,347.34	$7,154,253.70

**These accounts pertain only to contributions received in 1983/84. The total number of accounts held on deposit at March 31, 1984 was 47 with deposits of $175,410.09 for terminated members and $163,493.16 representing the corresponding employer portion.*

REFUNDS OF MEMBER/EMPLOYER CONTRIBUTIONS

Refunds of member contributions, plus interest, to terminated members	$168,346.74
Refunds of member contributions, plus interest, by transfer to registered retirement savings plans and registered pension plans	20,634.87
Refunds of excess contributions to members and employers	3,130.44
	$192,112.05

TRANSFERS BY BOOK ENTRY

The following transfers of contributions and interest were made during the year by book entry. These transfers are not reflected in the Summary of Receipts and Payments.

PENSION PLAN	TRANSFER FROM S.F.P. PLAN	TRANSFER TO S.F.P. PLAN
Local Authorities Pension Plan	$36,403.14	$193,071.15
Public Service Pension Plan	-	2,879.02
Totals	$36,403.14	$195,950.17

PENSION ADJUSTMENT REGULATIONS

For the purpose of maintaining approximate parity with the cost of living, *Section 1 of the Special Forces Pension Adjustment Regulations*, being Alberta Regulation 9/80, as amended, was further amended to authorize the following adjustments effective January 1, 1984:

(a) pensions granted on or before January 1, 1983 were increased by 3.00 per cent;

(b) pensions granted after January 1, 1983 but on or before February 1, 1983 were increased by 2.75 per cent;

(c) pensions granted after February 1, 1983 but on or before March 1, 1983 were increased by 2.50 per cent;

(d) pensions granted after March 1, 1983 but on or before April 1, 1983 were increased by 2.25 per cent;

(e) pensions granted after April 1, 1983 but on or before May 1, 1983 were increased by 2.00 per cent;

(f) pensions granted after May 1, 1983 but on or before June 1, 1983 were increased by 1.75 per cent;

(g) pensions granted after June 1, 1983 but on or before July 1, 1983 were increased by 1.50 per cent;

(h) pensions granted after July 1, 1983 but on or before August 1, 1983 were increased by 1.25 per cent;

(i) pensions granted after August 1, 1983 but on or before September 1, 1983 were increased by 1.00 per cent;

(j) pensions granted after September 1, 1983 but on or before October 1, 1983 were increased by 0.75 per cent;

(k) pensions granted after October 1, 1983 but on or before November 1, 1983 were increased by 0.50 per cent;

(l) pensions granted after November 1, 1983 but on or before December 1, 1983 were increased by 0.25 per cent.

(Alberta Regulation 22/84)

COMPARATIVE STATISTICS

(April 1, 1979 to March 31, 1984)

FISCAL YEAR	RECEIPTS			PAYMENTS			EXCESS OF RECEIPTS OVER PAYMENTS
	MEMBER CONTRIBUTIONS $	EMPLOYER CONTRIBUTIONS $	TOTAL $	BENEFITS $	WITHDRAWALS $	TOTAL $	$
1979-80	1,172,133.71	1,442,180.36	2,614,314.07	57,734.91	150,912.54	208,647.45	2,405,666.62
1980-81	4,170,530.00	7,751,675.00	11,922,205.00	711,081.00	325,575.00	1,036,656.00	10,885,549.00
1981-82	4,822,362.99	5,934,371.98	10,756,734.97	1,574,111.43	359,322.65	1,933,434.08	8,823,300.89
1982-83	6,146,543.53	6,847,696.56	12,994,240.09	2,216,377.78	348,476.74	2,564,854.52	10,429,385.57
1983-84	6,392,347.34	7,154,253.70	13,546,601.04	2,788,072.71	192,112.05	2,980,184.76	10,566,416.28

Note: "Excess of Receipts over Payments" does not include any interest which these funds might have earned during the year.

SPECIAL FORCES PENSION PLAN

SUMMARY OF RECEIPTS AND PAYMENTS
for the year ended 31-Mar-84

RECEIPTS

CONTRIBUTIONS	1983-84	1982-83
Members	$ 6,392,347.34	$ 6,146,543.53
Employers	7,154,253.70	6,847,696.56
	$13,546,601.04	$12,994,240.09

PAYMENTS

BENEFITS		
Pensions to retired members	$ 2,676,344.04	$ 2,210,754.24
Pensions to survivor spouses	91,131.27	
Lump sum payments to beneficiaries/ estates of deceased members	20,597.40	5,623.54
	$ 2,788,072.71	$ 2,216,377.78
WITHDRAWALS		
Contributions and interest in respect of employees leaving the service	168,346.74	271,825.01
Contributions and interest in respect of employees transferred to other pension authorities without reciprocal agreements	20,634.87	51,655.33
Refunds of excess contributions	3,130.44	25,196.40
	192,112.05	348,476.74
	$ 2,980,184.76	$ 2,564,854.52
Excess of receipts over payments for the year	$10,566,416.28	$10,429,385.57

Note: The receipts and payments shown above do not reflect the transfers of contributions and interest to and from other Alberta pension plans, made by book entry.

We wish to acknowledge the assistance of Payroll and Pensions Division of the Alberta Treasury in providing the statistical and financial information included in this annual report.